I would like to know how much money has been spent on Durgapur Steel plant so far and and what the total losses suffered by this steel plant so far are. The purpose of my wanting to know this information is to know whether we are throwing good money after bad money. Will this steel plant become enconomical compared to other steel plants?

SHRI DINESH GOSWAMI : Sir, so far as Burnpur is concerned, it is a fact that we are running the plant at a loss. In fact, because these Burnpur and Durgapur plants were getting sick, we thought that we must give a proper capital and technology injection through modernisation. It is our view that there is a definite gap between the demand and supply of steel in this industry and according to our estimation, at the terminal year of the Ninth Five-Year plan, there is going to be a deficit of two million tonnes of steel which will not only have its effect on prices but on the total economy. Therefore, the view of the Government, the view of the Steel Ministry, is that we should try to improve our production capacity by modernisation. In fact, even after the moderrisation, we will not be able to fill the demand and supply gap. We are trying to persuade the planning Commission to go for two new steel mills. So far as Durgapur is concerned, the definitive cost estimate of Durgapur is....

MR. CHAIRMAN: He wants to know how much money you have spent and how much loss you have suffered.

SHRI DINESH GOSWAMI : I will give the exact figure of the money that has been spent.

MR. CHAIRMAN: He wants to know about Durgapur.

SHRI DINESH GOSWAMI : I am giving the figure. So far as Burnpur is concerned...*(Interruptions)*. He is asking about both.

SARDAR JAGJIT SINGH AURORA: I wanted to know about Durgapur.

SHRI DINESH GOSWAMI : I will give the figures. So far as Burnpur is concerned, the modernisation proposal is under our examination. So far as Durgapur is concerned, I will give the figures to the hon. Member as to the exact amount we have spent so far.

*126 [*The questioner (Shri Santosh Bagrodia) was absent for answer* vide *col....infra*]

MR. CHAIRMAN: Question No. 127.

Introduction of Credit Card Scheme for Farmers

*127. SHRI S. MADHAVAN : Will the Minister of FINANCE be pleased to state :

(a) whether Government have directed the commercial banks to introduce Credit Card Scheme for farmers; and

(b) if so, whether it is a fact that the crops financed under the Scheme will not be covered under crop insurance?

DEPUTY MINISTER IN THE MINISTRY OF FINANCE (SHRI ANIL SHASTRI): *(a) and (b)* A Statement is laid on the Table of the House.

Statement

The Public Sector Banks were advised by Government in April, 1988 to consider launching of Credit Card Scheme for farmers. Some public sector banks have introduced Agricultural Credit Cards in selected districts in a few States. These Cards are given to farmers who have a good track record to enable them to get agricultural credit, without difficulty to meet their cost of production inputs. The crops raised by

farmers against the loans taken under the Credit Card Scheme qualify for cover under the Comprehensive Crop Insurance Scheme, wherever in force.

SHRI S. MADHAVAN : Will the Minister explain whether public sector banks include scheduled banks, cooperative banks and village banks? In the answer it is stated that the banks were advised to consider launching of credit card scheme. Will the Government come forward to formulate policy guidelines to all these banks to have this credit card scheme? For example, business people are allowed the overdraft facility on a permanent basis on their asset holdings. Why should not we have such a scheme for agriculturists also on a permanent basis? They can be issued a passbook entering all the assets, lands and fix the amount eligible for agricultural activities so that they need not wait for seasonal demands and they can have a permanent credit facilities to be drawn whenever they want from the bank.

SHRI ANIL SHASTRI : Sir, the credit card system was introduced by Dena Bank and it was found to be very advantageous by the farmers. Then the Government had written a letter to all the nationalised banks to introduce the scheme of credit cards. Some of the nationalised banks which are following the scheme are Dena Bank, Union Bank of India, Bank of Maharashtra, New Bank of India... Andhra Bank, Vijaya Bank, Indian Overseas Bank, Syndicate Bank, State Bank of India, Canara Bank, Allahabad Bank, Punjab National Bank and Corporation Bank. We have not written any letter to the Scheduled Banks.

SHRI S. MADHAVAN : Sir, my question about overdraft facilities is that just like business people are allowed by the nationalised banks to avail overdraft facilities on the basis of their assets, why not the Government direct the nationalised banks to make available those facilities for agriculturists also on a permanent basis. For each year they require a certain amount of credit for agricultural operations. They need not wait for the seasonal demand. I would like to know whether the Government is prepared to give directions to all the nationalised banks to provide overdraft facilities to agriculturists also on a permanent basis.

SHRI ANIL SHASTRI: Sir, this question relates to credit card facilities and under the Credit Card Scheme there is no upper limit of the principal amount which the farmers can draw from the banks and up to a loan limit of Rs. 7,500-/. the interest chargeable to is 10 per cent and the maximum limit of interest chargeable is 15·5 per cent, but there is no upper limit of the amount which the farmers can take under the Cash Credit Scheme. This question relates to the Cash Credit Scheme and under this scheme, there is no upper limit.

SHRI PASUMPON THAKIRUTTINAN : Mr. Chairman, Sir, the Credit Card Scheme is a good scheme which will encourage agricultural production in this country. In the statement, the Minister has said : "Some public sector banks have introduced agricultural credit cards in selected districts." Then, Sir, he has also said : "The crops raised by the farmers against the loan taken under the Credit Card Scheme qualify for cover under the comprehensive Crop Insurance Scheme also." I would like to know from the hon. Minister whether the Government have taken steps to see that the Credit Card Scheme is introduced all over the country, in all districts, in all banks including the Co-operative Banks.

SHRI ANIL SHASTRI : Sir, the State Credit Card Scheme, as

I said earlier, is found very advantageous to the farmers and we have already written to the banks to introduce this scheme, but we would like to leave it to the banks because this is a decision which the individual banks will have to take regarding the introduction of this Credit Card Scheme. But the suggestion is most welcome and we will once again make an effort to write to all the banks to ensure that this scheme is introduced by all of them.

MR. CHAIRMAN: Dr. G. Vijaya Mohan Reddy.

DR. G. VIJAYA MOHAN REDDY : Sir, this is a very good scheme, no doubt, but all such schemes are made use of by rich sections of the society. The problem of credit is for marginal farmers and poor farmers, but here by issuing a credit card, naturally the banking agencies will give credit cards to the rich farmers who do not actually require the loans. Under the circumstances, the criteria that are fixed will go against the purpose. Will the Minister try to see that these credit cards are properly given to the persons among the poor and marginal farmers who mostly require this credit? And if so, what are the methods by which these needy farmers can get them?

SHRI ANIL SHASTRI : Credit cards are merely given to those farmers who have a good track record of repaying the loans that they take from the banks. And another purpose for introduction of the Credit Card Scheme is to make sure that the farmers do not have to carry cash and in the case of small farmers because the amount of cash involved is small, there is no problem in carrying cash to the places to make the payment. But in the case of bigger farmers where they have to carry larger amounts of cash, it is necessary for them to have these credit cards so that they can issue a cheque and it is signed and given to the suppliers which they can encash from the farmers' bank.

SHRI P. K. KUNJACHEN : Sir, it has been clearly stated that the farmers are going to get loan under this Scheme. But there are rich farmers, middle farrmers, marginal farmers and poor farmers. What about the marginal farmers and the middle farmers? I would like to know whether they are also eligible to get loans under this Scheme. If you do not issue clear instructions to the banks, the banks will generally give loan to the upper classes, the bigger persons, who alone will be benefited. But the ordinary farmers, the poor and the marginal farmers should be benefited and they should be given the credit Cards. What is the Government going to do in this regard?

SHRI ANIL SHASTRI : Sir, the Government is very much concerned about the small farmers. I would like to inform the honourable Member. As I said earlier, it is a Credit Card against which you can get credit from the banks. The small farmers can keep the cash and they do not need it because the amount involved is small and they can carry that cash and pay to the supplier. But it is only the bigger farmers, who cannot carry cash to the places of the suppliers, who need it and, therefore, they make use of the Credit Card.

MR. CHAIRMAN : All right. Question No. 128.

*128 [*The questioner (Shri Basudeb Mohapatra) was absent. For answer* vide *Col....43....infra*]

MR. CHAIRMAN : Question No. 129.